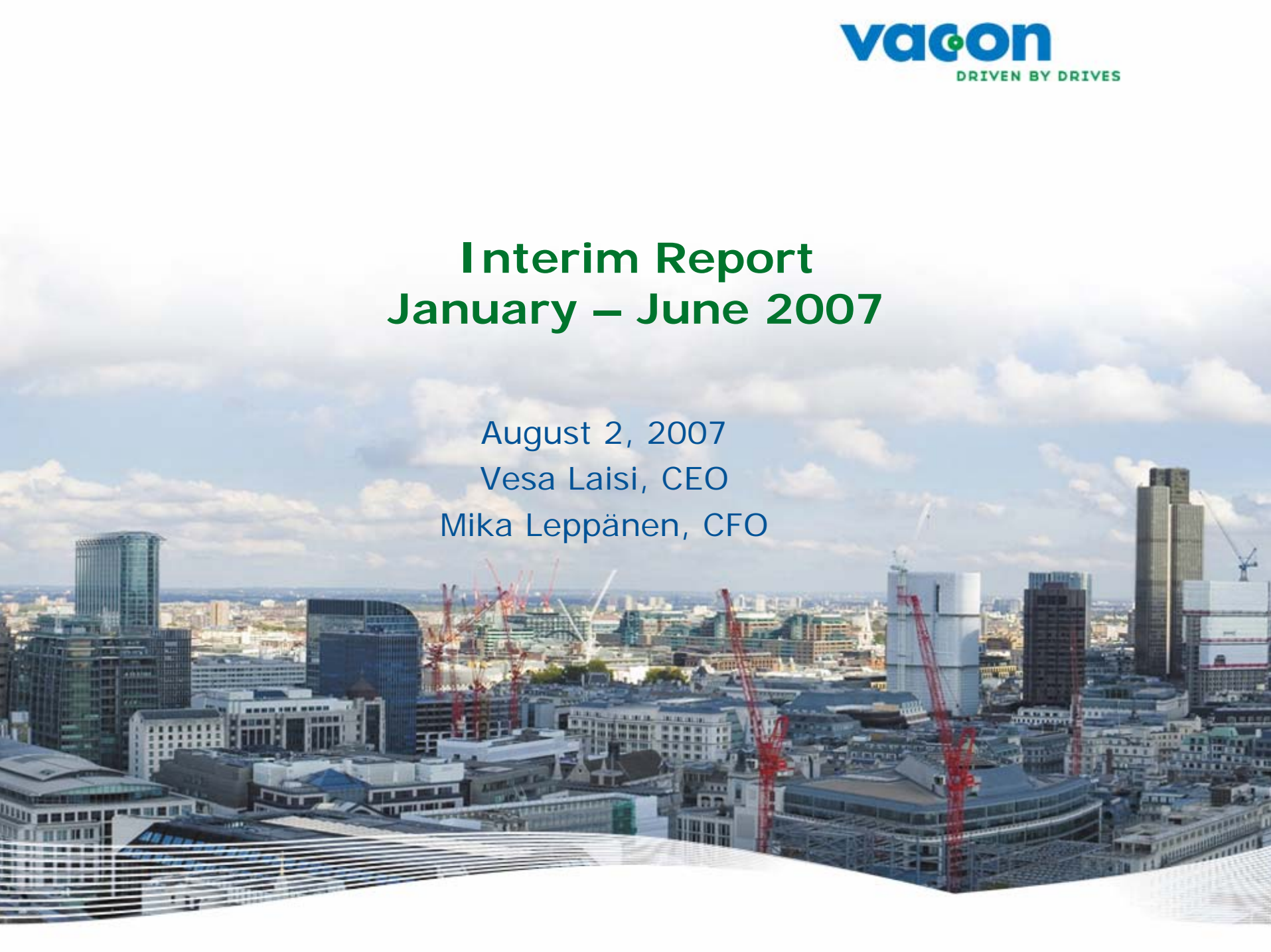


Interim Report January – June 2007

August 2, 2007

Vesa Laihi, CEO

Mika Leppänen, CFO



Forward looking statements

A number of forward-looking statements will be made during this presentation. Forward-looking statements are any statements that are not historical facts. These statements are based on current decisions and plans and currently known factors. They involve risks and uncertainties which may cause the actual results to materially differ from the results currently expected by Vacon.

This presentation is being made on *August 2, 2007*. The content of this presentation contains time-sensitive information that is accurate only as of the time hereof.

If any portion of this presentation is rebroadcast, retransmitted or redistributed at a later date, Vacon will not be reviewing or updating the material that is contained herein.

Outline

- **Q2 highlights**
- Financial results
- Outlook 2007

Q2 highlights

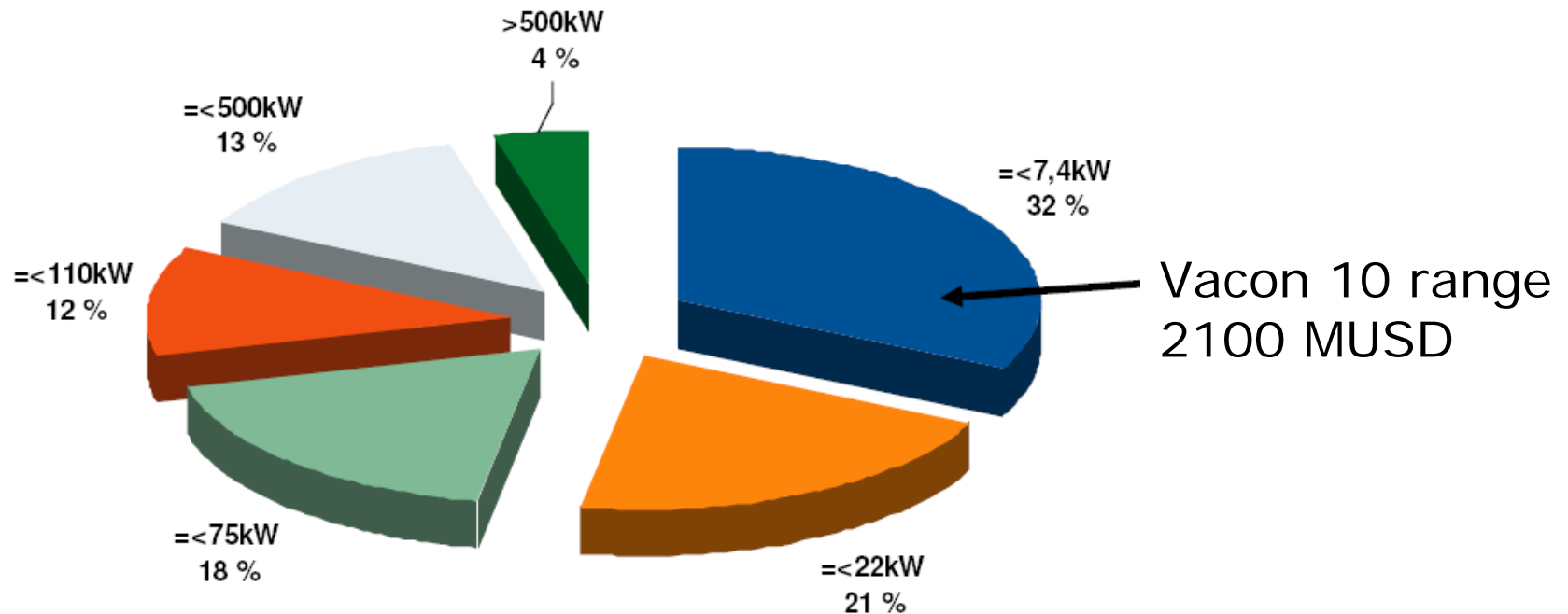
- Vacon Group continued its year-on-year improvement trend in Q2 2007 in line with the company's strategic plan.
- Planning has started for expanding Vacon's factory premises in Finland.
- In June 2007 Vacon launched the new Vacon 10 product family.
- Vacon and WWF Finland cooperate to prevent climate change.

New product family – Vacon 10



- One of the smallest micro drive in size in the market
- Compact, packed with features
- Ease of use
- Cost effective
- Tailorable for OEM drive/ODM drive applications

The AC drives market by power in 2007



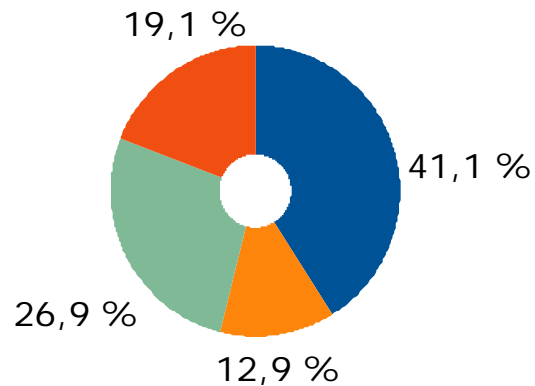
Source: IMS market study 2004 & 2006

Q2 highlights

MEUR	Q2/2007	Q2/2006	
Order intake	60.0	49.5	+21.2%
Revenues	59.8	45.0	+32.9%
Operating profit	7.7	5.7	+35.1%
Operating profit-%	12.9	12.7	
Operating cash flow	3.7	4.2	

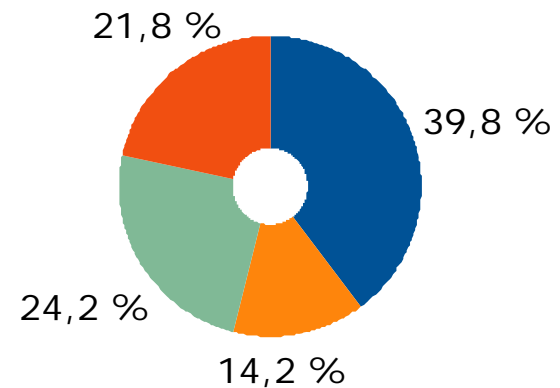
Sales by channel Q2

Q2 2007



■ End users ■ Distributors ■ OEM ■ Brand label

Q2 2006



■ End users ■ Distributors ■ OEMs ■ Brand label

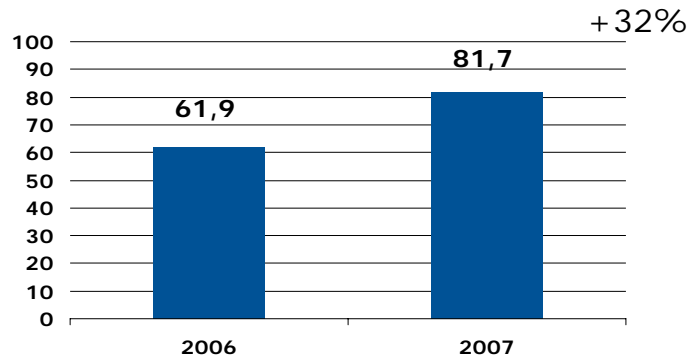
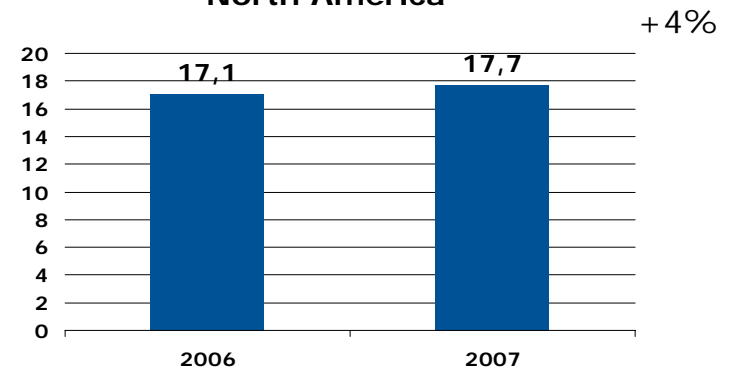
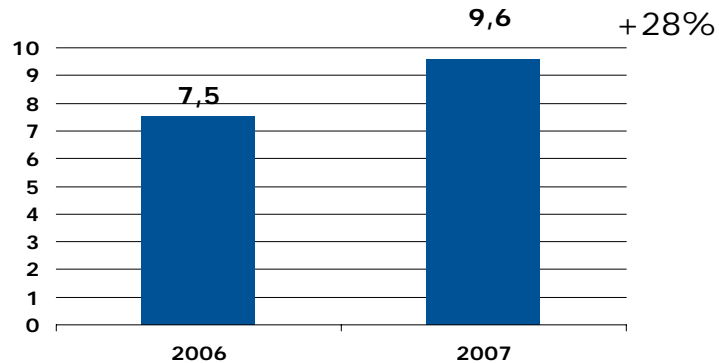
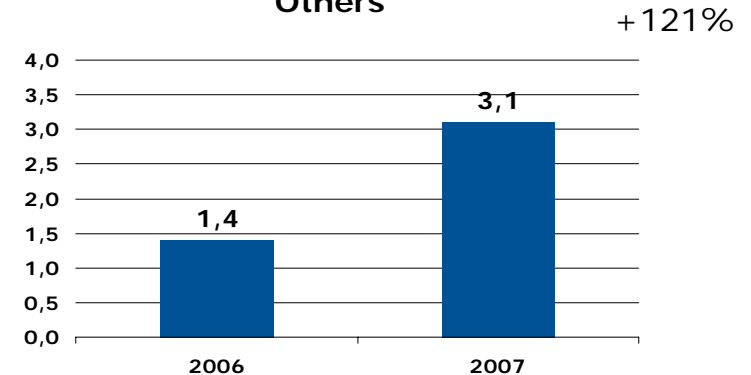
MEUR	Q2 2007	Q2 2006	Diff.
End users	24.6	17.9	+37.4%
Distributors	7.7	6.4	+20.3%
OEM	16.1	10.9	+47.7%
Brand label	11.4	9.8	+16.3%

H1 highlights

MEUR	H1/2007	H1/2006	
Order intake	116.1	93.6	+24.0%
Revenues	112.1	87.9	+27.5%
Operating profit	14.0	11.3	+23.9%
Operating profit-%	12.5	12.9	
Operating cash flow	6.2	6.7	

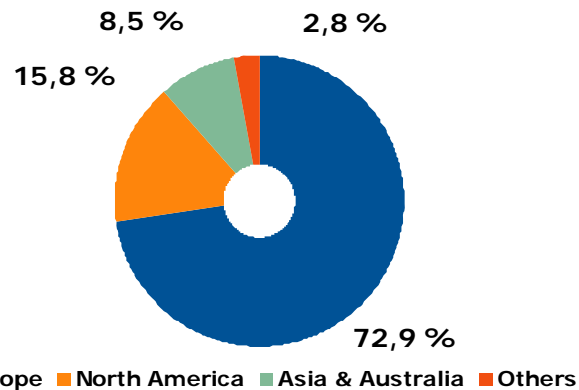
Revenues by area in H1

MEUR

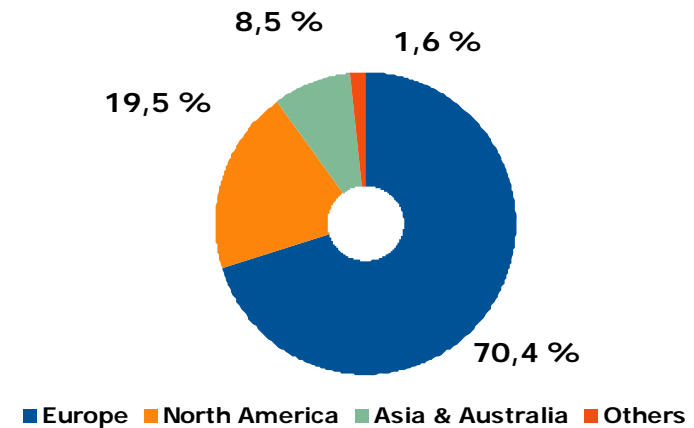
Europe**North America****Asia & Australia****Others**

Revenues by market area

H1 2007



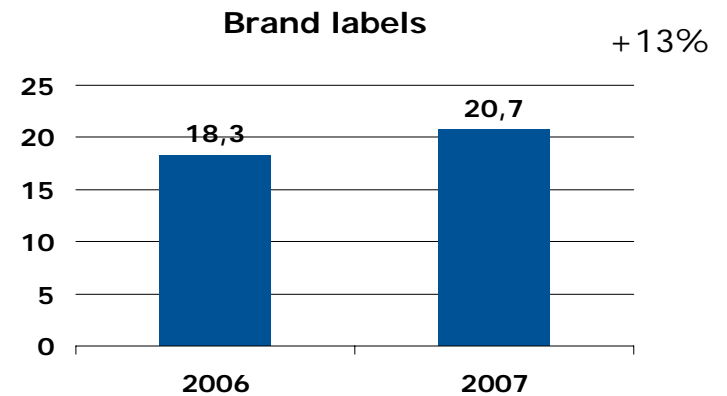
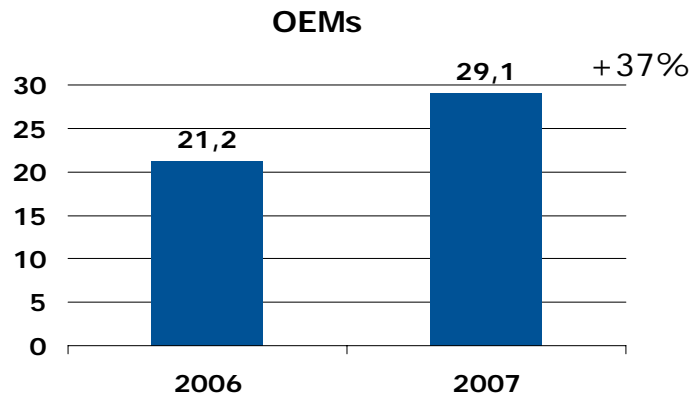
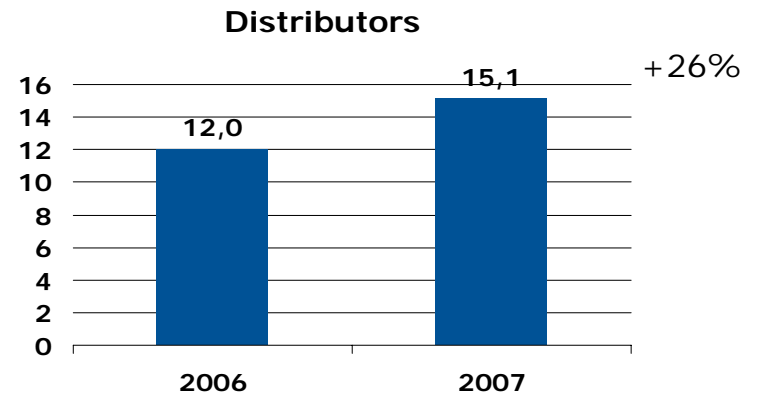
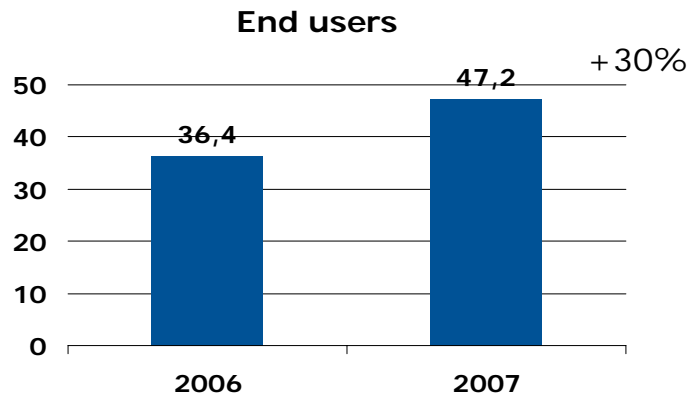
H1 2006



	%	2007	2006	Diff.
Europe		72.9	70.4	+2.5
North America		15.8	19.5	-3.7
Asia & Australia		8.5	8.5	0.0
Others		2.8	1.6	+1.2

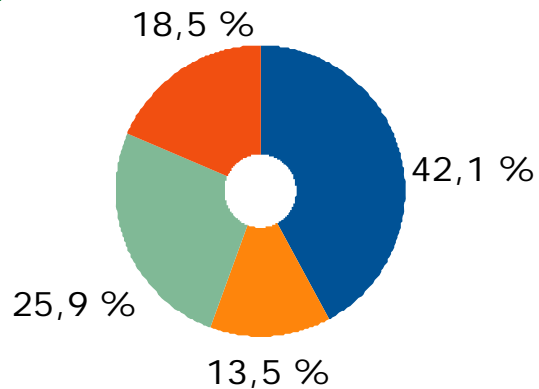
Revenues by sales channel in H1

MEUR



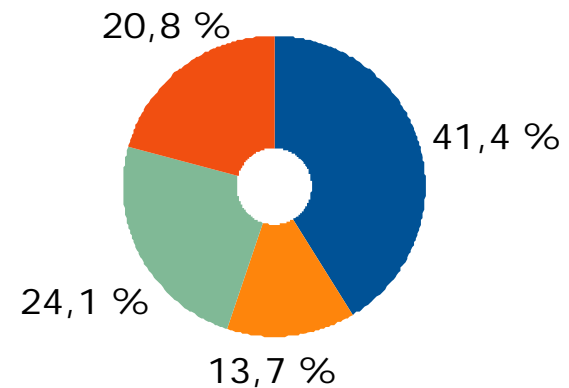
Sales by channel

H1 2007



■ End users ■ Distributors ■ OEM ■ Brand label

H1 2006



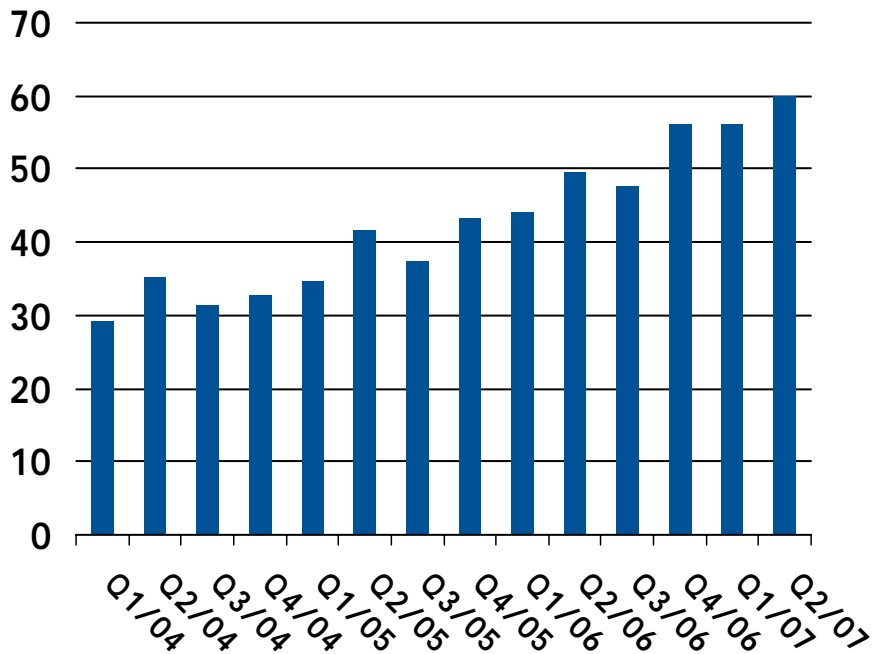
■ End users ■ Distributors ■ OEMs ■ Brand label

%	2007	2006	Diff.
End users	42.1	41.4	+0.7
Distributors	13.5	13.7	-0.2
OEM	25.9	24.1	+1.8
Brand label	18.5	20.8	-2.3

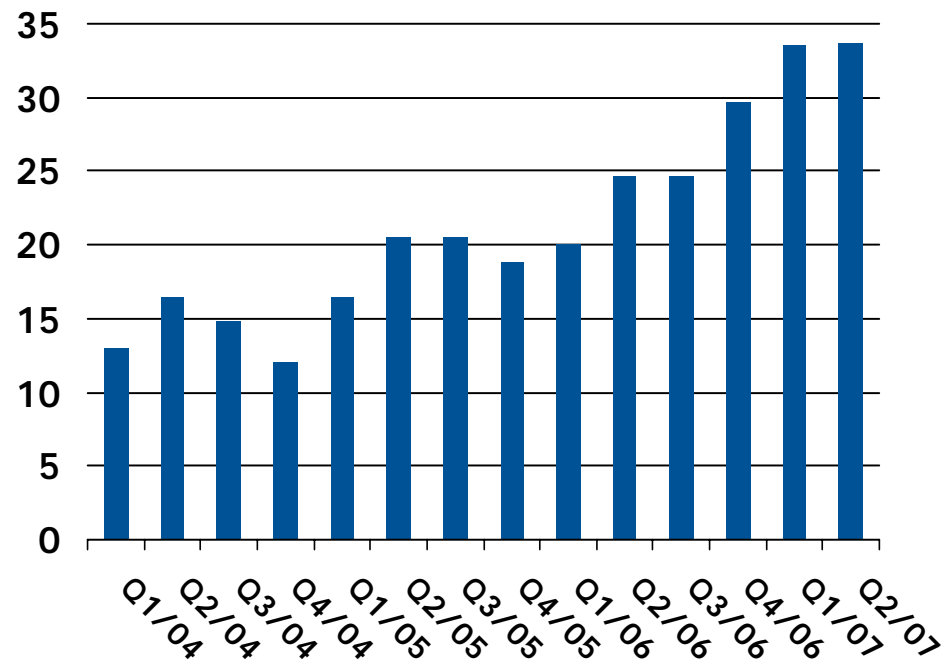
Order intake and order book

MEUR

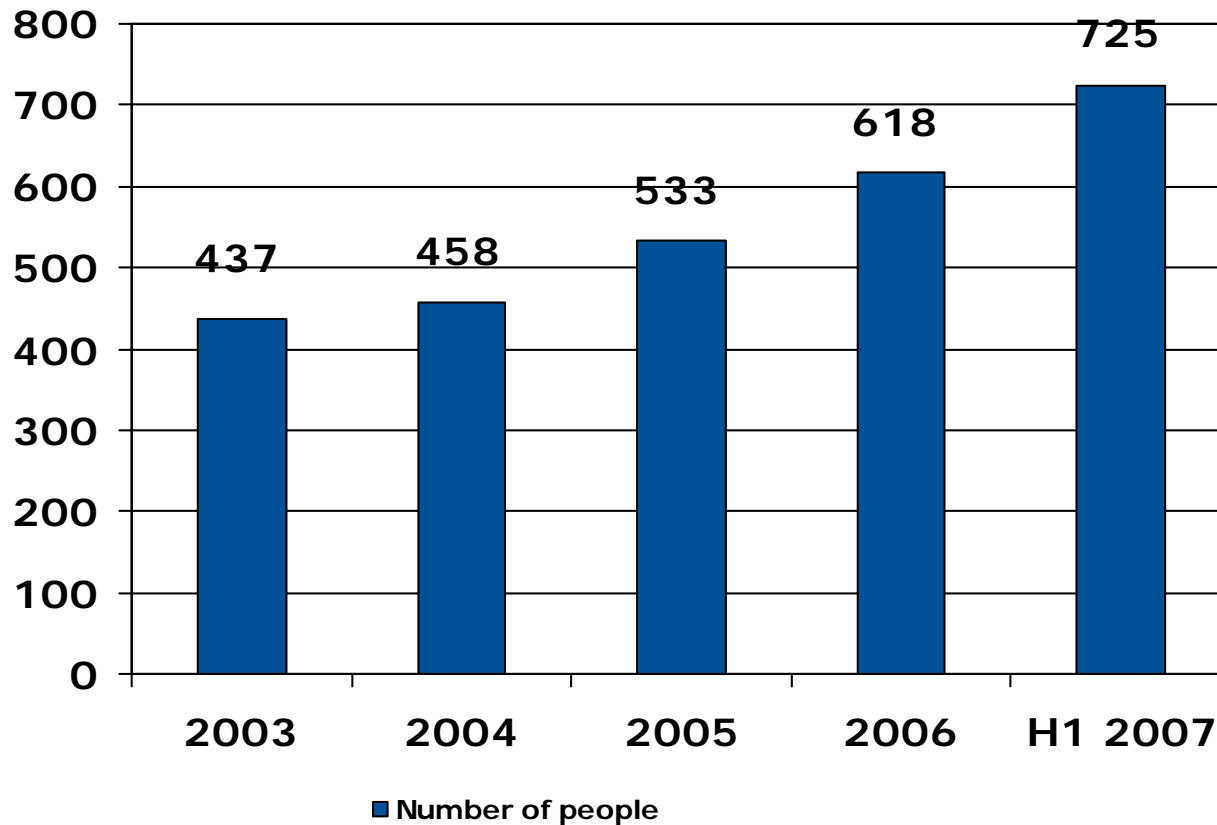
Order intake



Order book



Average personnel



Vacon had total of 762 employees on June 30, 2007, which is an increase of 87 employees since December 31, 2006.

Interim Report January – June 2007

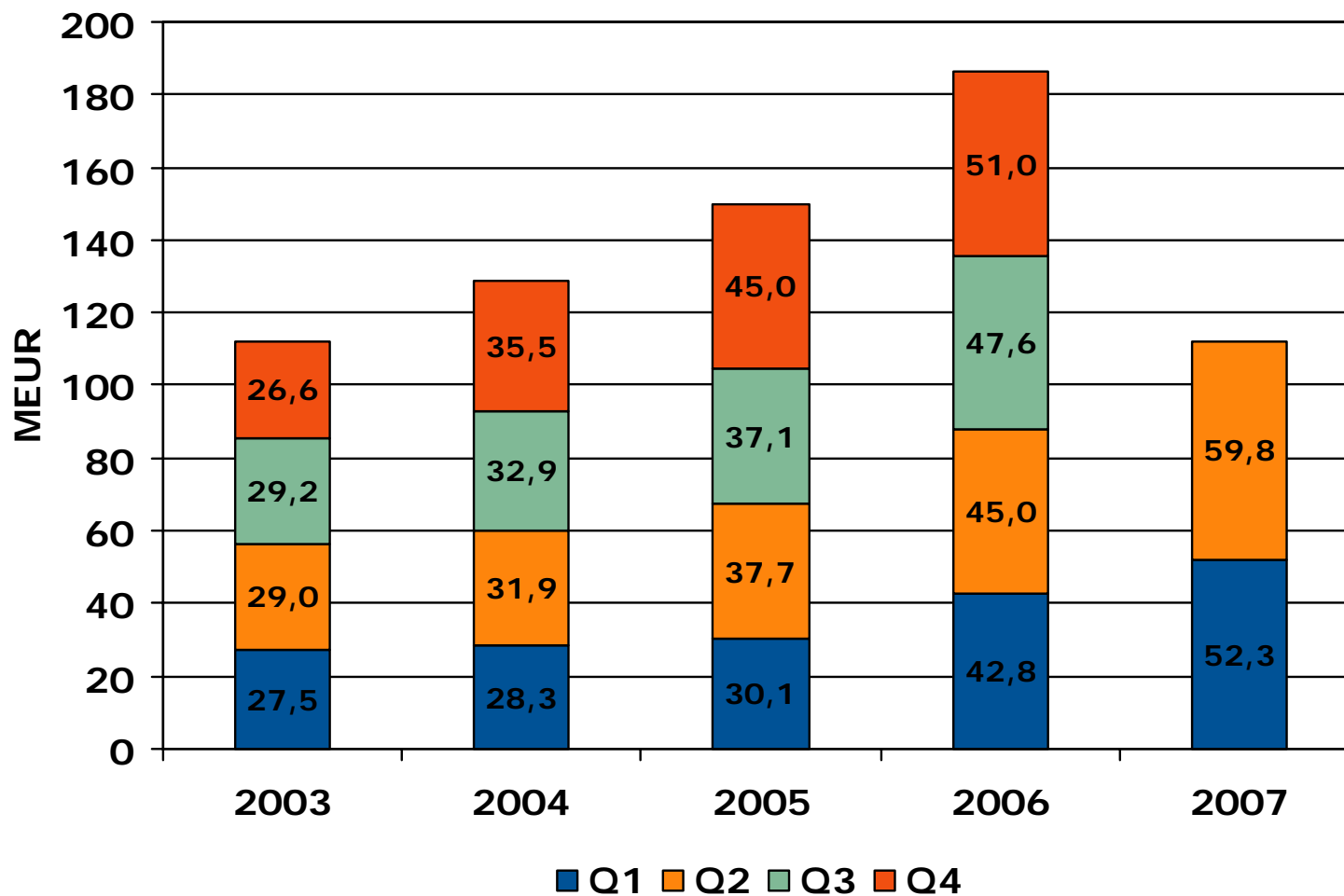
August 2, 2007
Mika Leppänen, CFO



Outline

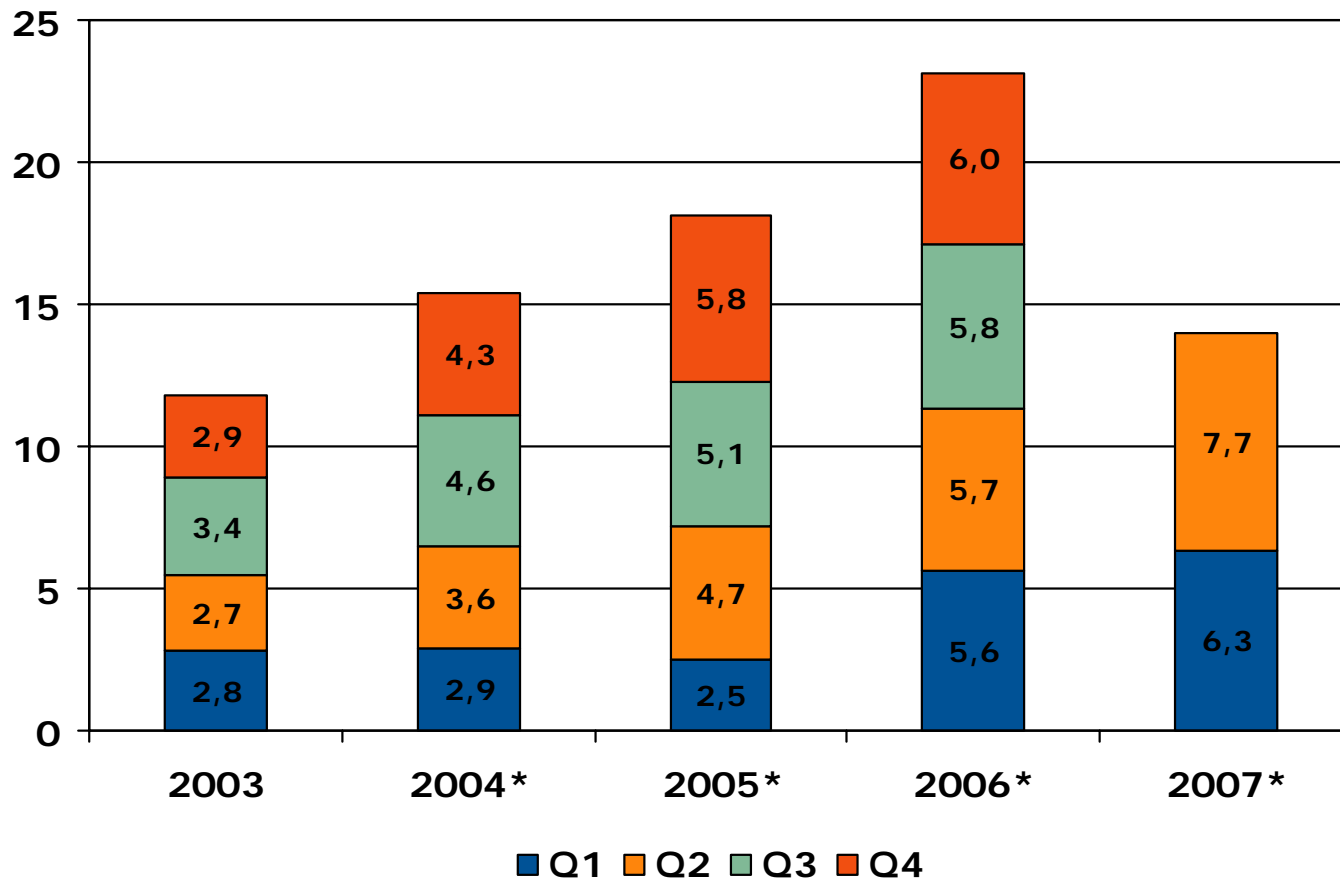
- Q2 highlights
- **Financial results**
- Outlook 2007

Revenues



Ebit

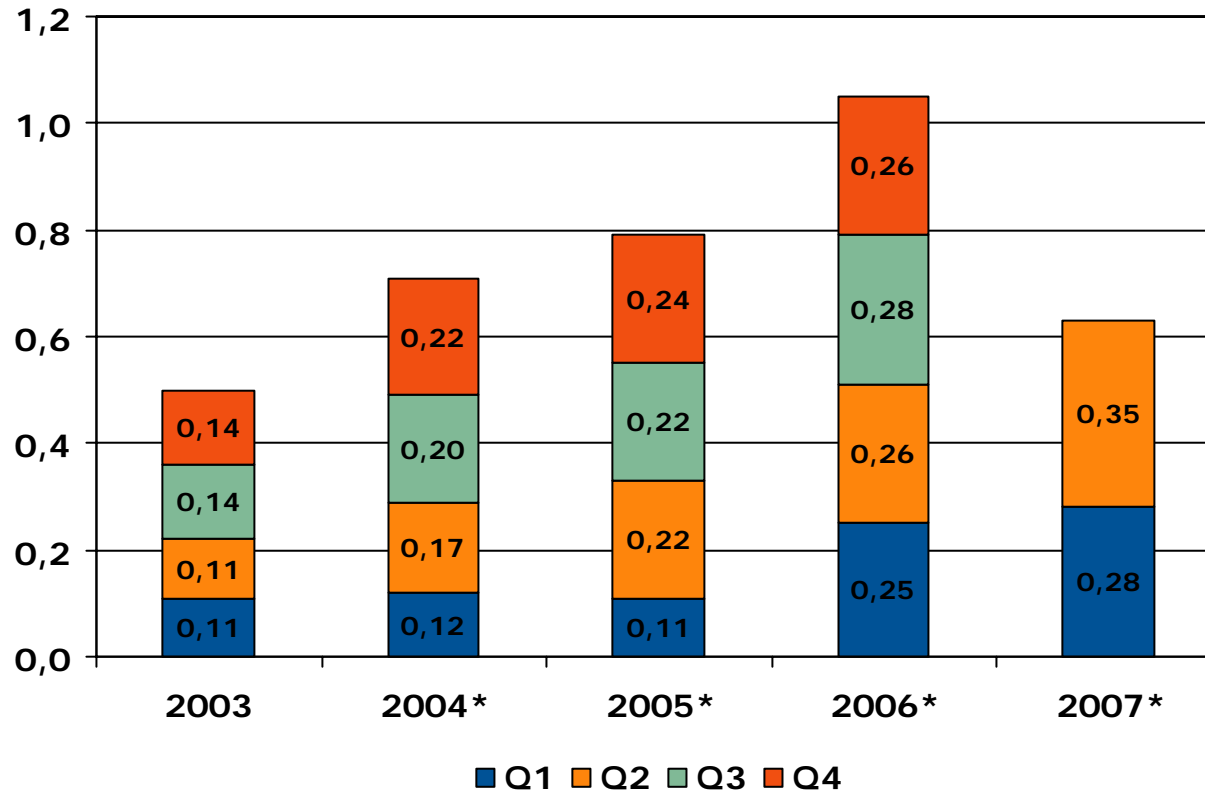
MEUR



*) 2004-2007 figures according to IFRS, 2004 Pro forma figures excl. Q4 disability pension provision of 0,5 MEUR.

EPS by quarter

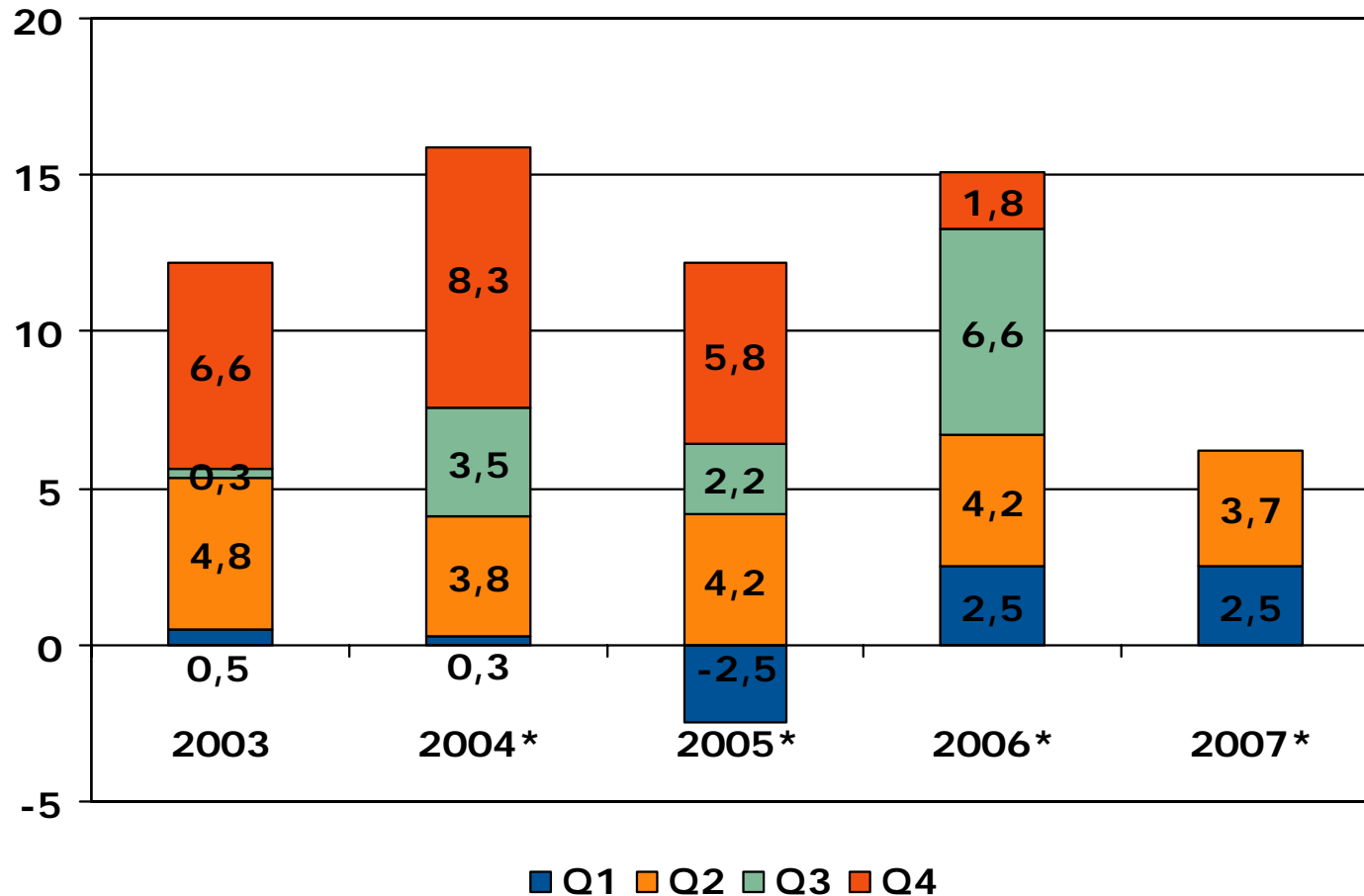
EUR



*) 2004-2007 figures according to IFRS

Cash flow from operating activities

MEUR



*) 2004-2007 figures according to IFRS

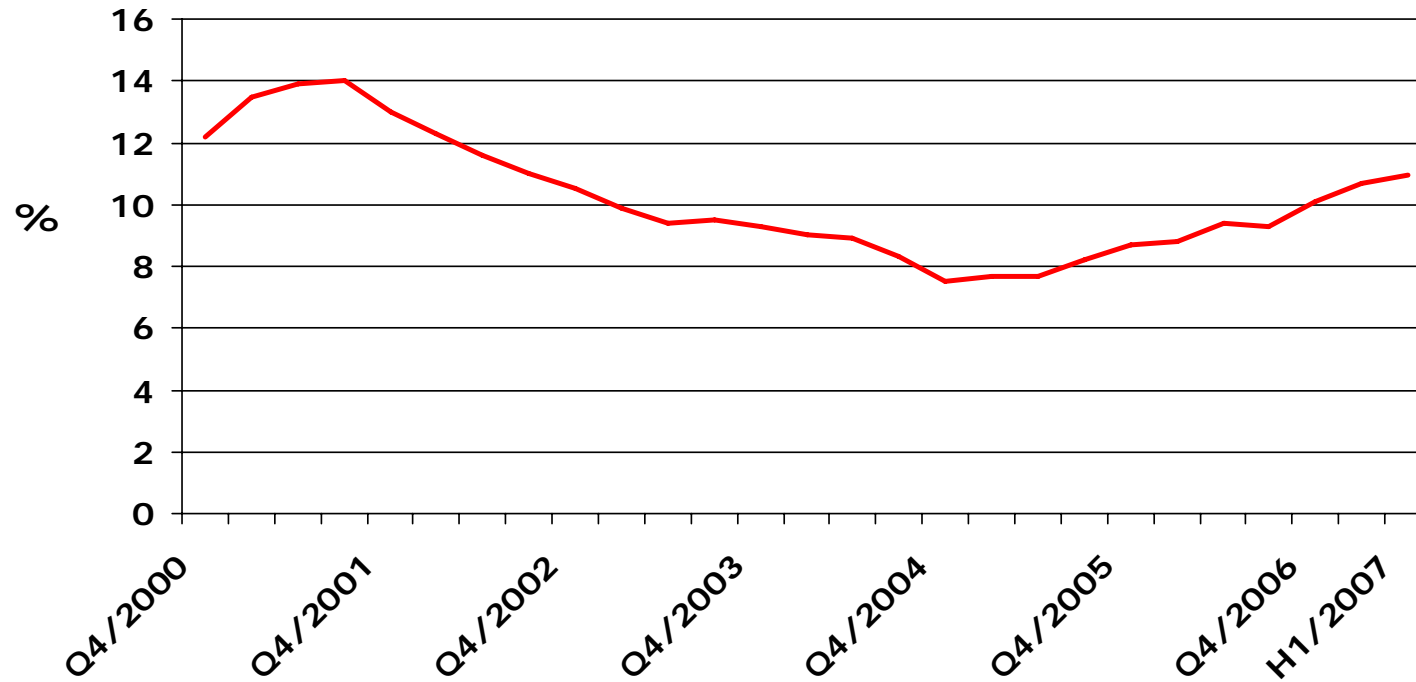
Balance sheet walk

MEUR	30.6.2007	30.6.2006	Change %
Non-current assets total	25.1	22.9	+9.6
Inventories	13.7	9.9	+38.4
Trade and other receivables	46.3	37.0	+25.1
Cash and cash equivalents	13.2	11.5	+14.8
Total assets	98.4	81.3	+21.0
Equity total	52.7	44.4	+18.7
Non-current liabilities total	3.9	3.4	+14.7
Trade and other payables	29.5	25.2	+17.1
Income tax liabilities	1.9	1.8	+5.6
Provisions	0.9	0.8	+12.5
Interest-bearing liabilities	9.5	5.7	+66.7
Total equity and liabilities	98.4	81.3	+21.0

Cash flow walk

MEUR	1-6/2007	1-6/2006	Change %
Profit for the period	9.8	7.8	+25.6
Depreciation and other adjustments	6.6	5.2	+26.9
Change in working capital	-6.4	-3.4	-88.2
Cash flow from financial items and tax	-3.8	-2.9	-31.0
From operating activities	6.2	6.7	-7.5
From investments activities	-2.8	-4.6	39.1
From financing activities	-3.3	-2.1	-57.1
Change in liquid funds	0.2	0.0	100.0

Average working capital/revenues - ratio

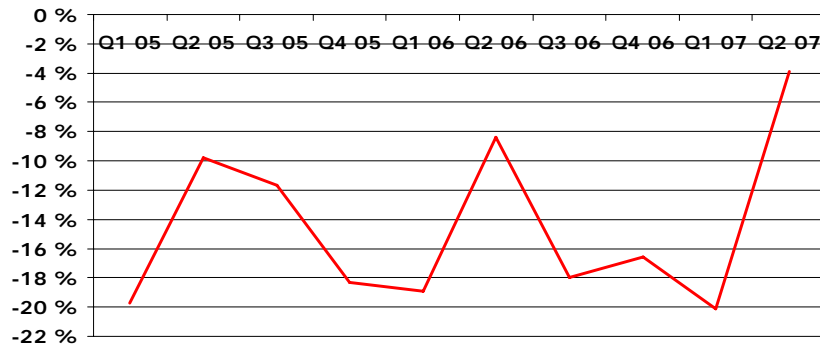


Financial ratios

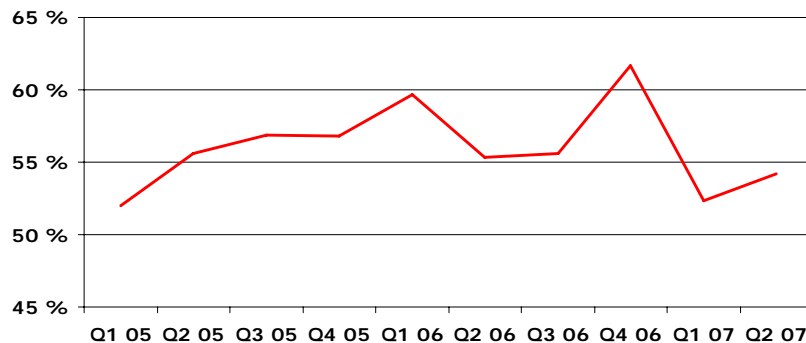
	1-6/2007	1-6/2006
Gross investments (MEUR)	3.0	4.9
Depreciation & Amortization (MEUR)	-2.3	-2.0
Equity per share (EUR)	3.40	2.88
Earnings per share (EUR)	0.63	0.51
Contingent liabilities (MEUR)	1.2	2.2

Key balance sheet ratios

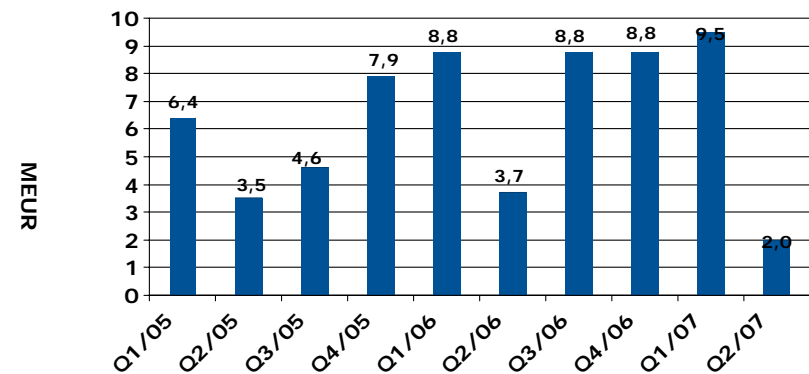
Gearing



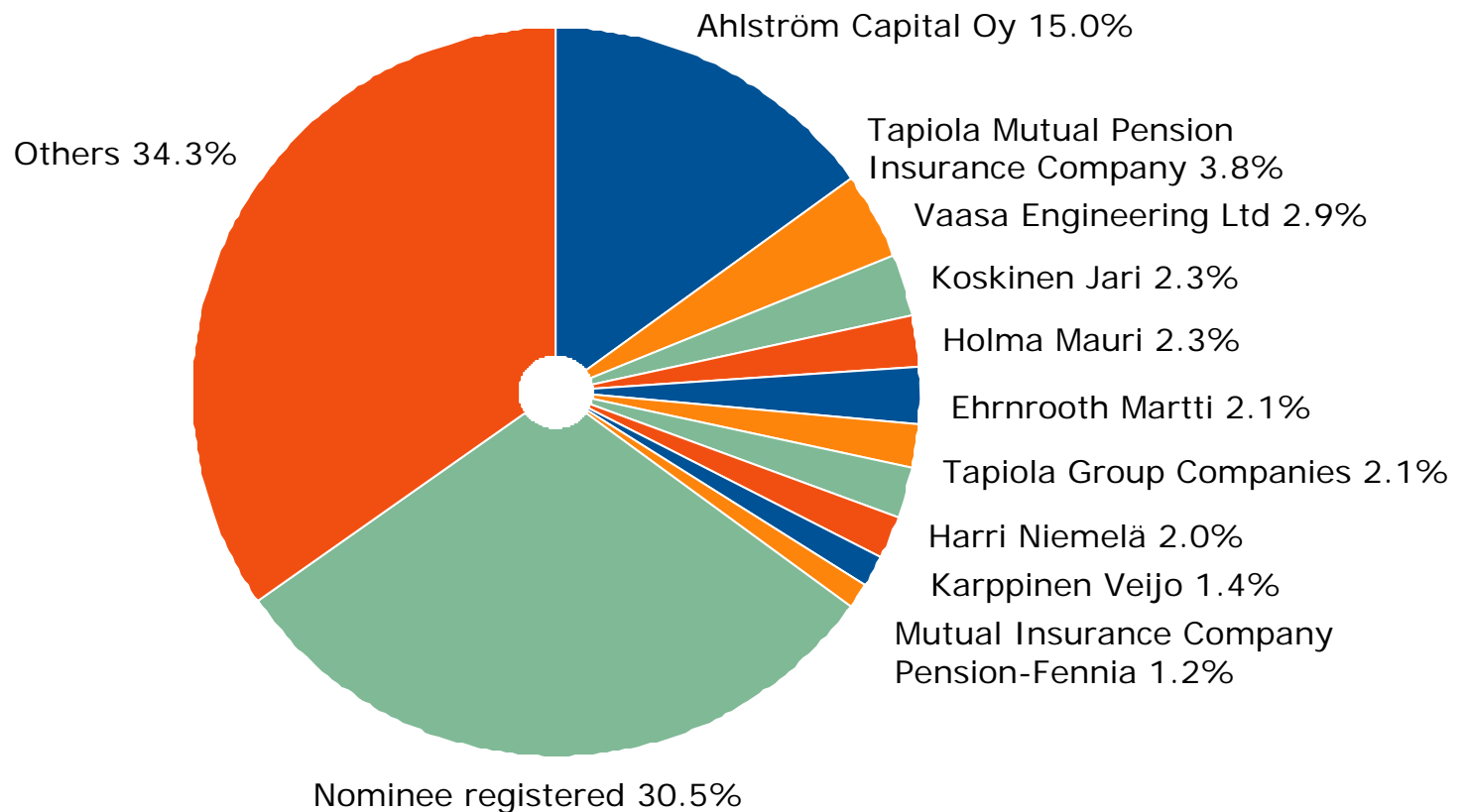
Equity Ratio



Net Cash



Vacon Plc shareholders 30 June 2007



Vacon share development

Vacon 08/02/06 - 07/31/07 latest Price (Jul 31 2007): € 31.10



Interim Report January – June 2007

August 2, 2007

Vesa Laihi, CEO



Outline

- Q2 highlights
- Financial results
- **Outlook 2007**

Potential ongoing factors impacting EBIT-margin

- Potential negative drivers
 - Competitive factors in general
 - Weakening USD
 - Possible availability problems of key components and materials
- Potential positive drivers
 - Growth in high-end and mega ranges
 - New product series
 - Growth of own direct sales channel
 - Continuing cost control

Future outlook

	ACT 2006	FC 2007
Revenues (MEUR)	186.4	~20%
EBIT margin	12.4%	>12.4%
EPS (EUR)	1.04	>1.04
ROE	33.7%	>30.0%

Dates to note in 2007

- Q3, October 25, 10.00 am